Reconstitution of Ministry of Industry

1269. SHRI SURENDRA SINGH THAKUR: Will the PRIME MINISTER be pleased to state :

(a) whether it is a fact that Ministry of Industry is being reconstituted by Government in view of the liberalisation and delicensing of industries ;

(b) if so, what would be its future set up;

(c) what would be its defined role and functions in the development of Industry ; and

(d) in what manner the role and function will be modelled to suit the equitable and speedy development of industrially backward areas ?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (SHRI P.J. KURIEN) : (a) to (d) The Government's recent economic initiatives in the form of major industrial, fiscal and trade libralisations have led to revised perceptions about the furture role, functions and organisational structure of several Ministries Departments/Organisations. Consequently it may be necessary to restructure/ reconstitute several of these, including the Ministry of Industry. Government have not taken any final decision in this regard. However, following re-appraisal of the role and functions of the Ministry of Industry, it has been decided to abolish certain work units, reorganise and compress certain other work units and to extend greater attention to developmental/promotional areas. It has also been decided to:-(1)abolish-56 posts from Deputy Secretary to Lower Division Clerk in the Department of Industrial Development (proper). (2) abolish 176 posts (Group 'A' to 'D') in the Directorate Gneral of Technical Development (DGTD). (3) wind up the Office of the Development Commissione for Cement Industry (including four regional and two sub-regional offices).

Revisions in role, functions and organisational structure of the Ministry of Industry will continue to take into account the need to maintain its primary role of promoting balanced industrial development and provide catalytic effect to growth of Industries through growth centre approach.

Investment by M.N.Cs.

1270. PROF. SAURIN BHATTACHARYA : Will the PRIME MINISTER be pleased to state:

(a) whether Government's attention has been drawn to a recent survey according to which Multinational companies invest in developing countries for cheap work force, export to their coutry of origin and repatriation of the profits ; and

(b) if so, what preventive steps are being taken in this regard ?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (SHRI P.J. KURIEN) : (a) and (b) The Government's Policy is to welcome foreign investment which would bring the much needed foreign exchange, additional resources for investment and generate employment. In addition, foreign investment would bring in technology transfer, market expertise and modern managerial practices which, in turm, enhance the possibility for exports. Availability of man-power at competitive wage levels would remain an important factor for attracting foreign investment in India. However, the foreign investor would also be governed by the labour laws of the country and repatriation of dividends will have to be covered by export earnings.